

Summary Notice of Pendency of and Proposed Settlement of Class Action Involving Qiao Xing Universal Telephone, Inc.

NEW YORK, _____, 2008 (_____) -- Murray, Frank & Sailer LLP Announces the Proposed Settlement of a Class Action Involving Qiao Xing Universal Telephone, Inc.

TO: All persons and entities who 1) purchased shares of *Qiao Xing Universal Telephone, Inc.* ("Qiao Xing") common stock between June 30, 2004 and July 16, 2007, both dates inclusive; 2) purchased Qiao Xing call options between June 30, 2004 and July 16, 2007, both dates inclusive; or 3) sold Qiao Xing put options between June 30, 2004 and July 16, 2007, both dates inclusive. Excluded from the Class are Defendants, Qiao Xing (including its present and past subsidiaries, parents, successors, and predecessors), Qiao Xing's present and past officers and directors, agents, employees, consultants, attorneys, advisors, investment advisors, investment bankers, investment relations consultants, including members of their immediate families, and their legal representatives, heirs, successors or assigns, affiliates, and any entity in which any one of them has or had a controlling interest, or which is related or affiliated with any of the foregoing.

YOU ARE HEREBY NOTIFIED that pursuant to an Order of the United States District Court, a hearing will be held regarding the proposed settlement (the "Settlement") in *In re Qiao Xing Securities Litigation*, Civil Action No. 07 cv 7097 (DLC) (the "Action"), on _____, 2008 at _____, before Judge Denise Cote, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 11B, New York, New York.

At the hearing, the Court will consider: (a) whether this Action satisfies the applicable prerequisites for class action treatment under Rule 23 of the Federal Rules of Civil Procedure; (b) whether the terms of the proposed settlement, which among other things, provides for creation of a Settlement Fund in the amount of two million four hundred thousand dollars (\$2,400,000), are fair, reasonable, and adequate, and should be approved by the Court; (c) whether the proposed plan to distribute the Settlement Fund to the Settlement Class Members is fair and reasonable and should be approved by the Court; (d) whether the Final Approval Order and Judgment as provided under the Stipulation of Settlement should be entered, dismissing the Action on the merits and with prejudice, and to determine whether the release of the Released Claims by the Settlement Class Members of the Released Parties, as set forth in the Stipulation, should be ordered; (e) whether the application of Lead Counsel for an award of attorneys' fees not to exceed 20% of the Settlement Fund, and reimbursement of expenses not to exceed \$100,000, should be approved; and (f) such other matters as the Court may deem appropriate. The Court may adjourn or continue the hearing on the Settlement without further notice to the Settlement Class Members.

If you are a Settlement Class member and have not received a detailed Notice of Pendency of Proposed Class Action and Its Settlement (the "Notice"), and Proof of Claim and Release form ("Proof of Claim"), you may obtain a copy of each by writing to:

Qiao Xing Securities Litigation
Complete Claim Solutions, LLC
P.O. Box _____
West Palm Beach, FL 33416

You also can contact the Claims Administrator by toll-free phone at _____, by fax at (561) 651-7788; or through the website www.qiaoxingsecuritiessettlement.com.

To participate in the Settlement, you must submit a Proof of Claim no later than _____, 2008. The Notice provides instructions on how to exclude yourself or object to the Settlement, the Plan of Allocation, or the application for an award of attorneys' fees and reimbursement of expenses. Any exclusions must be mailed postmarked no later than _____, 2008, to Qiao Xing Securities Litigation Exclusions, c/o Complete Claim Solutions, LLC, P.O. Box _____. West Palm Beach, FL 33416. Any objections to the Settlement must be mailed, postmarked no later than _____, 2008, to the following:

COURT	LEAD COUNSEL	DEFENSE COUNSEL
Clerk of the Court Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007	Brian Murray, Esq. Murray, Frank & Sailer LLP 275 Madison Avenue Suite 801 New York, NY 10016 Tel. (212) 682-1818	Jack C. Auspitz, Esq. Joel C. Haims, Esq. Morrison & Foerster LLP 1290 Avenue of the Americas New York, NY 10104 Tel. (212) 468-8000 Lawrence Steckman, Esq. Lester Schwab Katz & Dywer, LLP 120 Broadway New York, NY 10271 Tel. (212) 964-6611

If you are a Settlement Class Member and do not exclude yourself from the Settlement Class, you will be bound by the Final Order and Judgment of the Court, whether or not you submit a Proof of Claim.

Please do **not** contact the Court for information.

Dated: _____, 2008

By Order of the Court

CONTACT: Murray, Frank & Sailer LLP
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